

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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OPS Surveying Earnings Under Johnston Formula

The Office of Price Stabilization has sent to canners a request for information on earnings for a number of products—"OPS Survey Form No. S-37". This information is being requested to determine whether or not packers of any canned fruit and vegetable may be entitled to an increase in ceilings. The basis of such increase would be that the current ceilings would not enable canners of a given product to earn the profits permitted by the OPS industry earnings standard (frequently referred to as the Johnston Standard).

Many canners have asked if they are required to supply OPS with the information requested on this form. George Mehren of the Office of Price Stabilization, in answer to that question, has stated:

"The failure of a canner to comply with the Office of Price Stabilization request will not be considered by the Office of Price Stabilization as either an unwillingness to cooperate or an omission requiring further action by this Agency. However, I wish to emphasize what may already be clear, and that is that 1951 ceiling prices for canned fruit and vegetable products covered by CPR's 55 and 56 will not be adjusted upward in the absence of factual data (such as that which would come to OPS if the canners supplied the information requested in Survey Form No. S-37) indicating that the adjustment is required to meet the earnings standard."

Policy Toward Suspension of Price Controls Recommended By Senate Committee in Bill on Defense Production Act

In voting to send to the Senate a bill to extend the Defense Production Act, the Senate Committee on Banking and Currency on May 21 adopted a policy declaration dealing with suspension of price controls and approved amendments to the Walsh-Healey Public Contracts Act.

It is expected that the Committee's formal report to the Senate and a bill containing the Committee's recommendations will be filed in the Senate early next week and that debate on

Board Meeting Centers Around Increased N.C.A. Activities

One feature of the first session of the spring meeting of the N.C.A. Board of Directors meeting, May 19, in Washington, was the account by Henry P. Taylor of his recent appearance before the House Committee on Banking and Currency presenting testimony in support of the Association's request for suspension of price controls on canned foods. Mr. Taylor displayed the statistical charts showing the industry's supply and price situation which he had offered as part of his testimony. (See Supplement to INFORMATION LETTER of May 17.) In addition to the discussion of the matter of price suspension many other facets of the defense controls programs were covered on the agenda.

The meetings this year were of the reporting character. Chairmen of the various Committees (both mobilization and Association service groups) made progress reports and reviews of recent accomplishments.

The first session was given over mainly to activities arising from government controls; the second to N.C.A. staff services and other Association business.

During their two-day session the Board—

Approved the report of the Convention Committee recommending that the 1954 Convention be held in Atlantic City, that the opening date of the 1953 Convention in Chicago be Saturday, February 21.

Authorized official N.C.A. observance of the 200th anniversary next

October 23 of the birthday of Nicholas Appert, discoverer of the canning process.

Accepted the report of the Finance Committee, presented by Chairman H. J. Barnes, which shows Association expenditures running generally in line with the approved budget.

Authorized the sale of the Association's San Francisco property (former West Coast headquarters on Battery Street) to the Merrill Company for \$47,500 and execution of the deed.

Voted to decline participation in an official protest against proposed freight rate increases now before the Interstate Commerce Commission.

Authorized the President to appoint a special committee to make a study of the subject of honorary membership in N.C.A.

Approved the appointments to the Industry Boards of Arbitration for 1952.

The spring Board meeting this year consisted of two half-day business sessions. The first began with luncheon Monday, May 19, attended by Board members, members of those committees that had held meetings on Sunday and Monday morning, members of the Administrative Council, who

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MEETING OF N.C.A. DIRECTORS

Report of the Convention Committee

By A. L. Koch, Chairman

The Convention Committee met Sunday afternoon, May 18, at N.C.A. headquarters, with the officers and certain members of the staff, and reviewed plans for the 1953 and 1954 national Conventions.

The decision to go to Chicago next year has been previously announced but members of the Board may be interested in the following schedule of dates, which are now official:

Thursday, February 19—Administrative Council meeting

Friday, February 20—Board of Directors

Saturday, February 21—Opening General Session

Sunday and Monday, February 22 and 23—The Laboratory, Raw Products and Fishery Products conferences

Buyers will be in attendance at Chicago and satisfactory housing has been arranged for them. The super market and chain store operators do not meet as associations during our Convention, but will be in attendance as individual firms. The National-American Wholesale Grocers Association will hold its convention February 17-20, and housing will be provided for the wholesale grocers who desire to stay over to attend the N.C.A. Convention.

Generally speaking, although there are still some details to be worked out as to the use of specific hotels in the Chicago group, the pattern of the 1951 Convention there will be followed. The staff has been busy with the brokers and machinery organizations on schedule and housing details.

The Committee took up the matter of location of the 1954 Convention. Miami Beach has recently put in a bid for the event and President Heinz and Secretary Campbell reported on the possibilities there. It was felt, after full discussion, that Miami geographically is not as satisfactory as either Chicago or Atlantic City. At each of these cities it is possible for canners to call on their trade in nearby cities while on their Convention trip, which opportunity Miami does not offer. While Miami has enough hotels and sufficient rooms and parlors to accommodate all, no hotel has more than 300 rooms and the hotels can guarantee only 25 per cent of those for our use. Housing would be distributed over a tremendous number of locations. The concentration possible in Chicago or Atlantic City is not possible, even though the numerous hotels are close together. The exhibit would have to be a considerable distance away and another disadvantage apparent in dealing with Miami is

that the agreements between the Association and the hotels could not be handled through a central Convention Bureau, as in Atlantic City and Chicago, but would have to be made separately with some 50 or more hotel managers. In Miami it would be harder to exert the control over hotel arrangements that is necessary for successful Convention management.

It appeared, therefore, that the 1954 Convention would have to go to either Atlantic City or Chicago. The brokers and machinery organizations are agreeable to Atlantic City for that year and the N.C.A. has found an advantage to its members in going one year to Chicago and another year to Atlantic City.

Report of the Public Relations Committee

By Henry P. Cannon II, Chairman

The 1952 Public Relations Committee met for the first time May 18.

This was a preliminary meeting to review the present public relations activities of the N.C.A. We recognize that effective public relations work is being done by members of the N.C.A. staff.

It is our opinion, however, that a more unified and comprehensive program can be developed. We feel that a prerequisite to developing such a program is the accumulating and

The Committee, therefore, asks the approval of the Board of Directors to schedule the 1954 Convention at Atlantic City. The staff is already working on plans that will cover the housing problems there. It will be possible to give each of the members desirable headquarters rooms and parlors, but attendance has risen to the point that, both in Atlantic City and Chicago, it may be necessary to allot some of the room requirements (outside of headquarters requirements) to less desirable hotels.

There was considerable discussion of methods by which Convention arrangements and programming can be improved and the Committee is considering methods of bringing about new treatment of both the technological and general sessions for consideration of the Board and membership at some future meeting.

cataloging of all the policies and objectives of N.C.A. that have developed through the years, and a reevaluation and appraisal of them in terms of present aims. Therefore, we recommend that a member of the N.C.A. staff be assigned this preliminary task, and that considerable time be devoted to its preparation.

After this has been completed, the Public Relations Committee feels it will be in a position to make further recommendations on the development of a program and hopes to be able to present a report on this matter at the January Convention.

Report of the War Mobilization Committee

By Louis Ratzesberger, Jr., Chairman

Early in February, President Heinz asked me to head the War Mobilization Committee during 1952, and appointed the committee whose names you've read in the INFORMATION LETTER listing of March 1.

In addition to this over-all Committee, we set up the following subcommittee chairmen:

John McGovern, Manpower; Oliver Willits, Containers; Alfred Stokely, Procurement; and E. A. Brown, OPS Steering.

In meetings of the OPS Steering Committee since last fall it was the settled policy of the committee that matters having to do with decontrol or suspension of controls were subjects that should be considered by the War Mobilization Committee, and not by the Steering Committee. On February 9, before leaving Washington, I discussed with Secretary Campbell the procedure that should be followed to

implement the Association's decontrol resolution passed at the Convention.

• On February 20, Secretary Campbell wrote members of the War Mobilization Committee on this subject, accompanying the letter with a proposed standard for suspension and asking for comments as quickly as possible.

The Subcommittee on Procurement met February 27 and again on the following day. It discussed the problem of obtaining action on the Association's price control suspension resolution. At the close of this meeting the following letter was sent to members of the War Mobilization Committee:

"February 28, 1952

"The War Mobilization Subcommittee on Procurement met at the Association offices, in Washington, on Wednesday, February 27, to consider the problems of procurement for the 1952 season. A report of the Committee's recommendations has been sent to you in accordance with the

directions of the War Mobilization Committee at its last meeting.

"The following day the members of the Procurement Committee, who are also members of the War Mobilization Committee, met with the officers of the Association, Henry P. Taylor, interim chairman of the Legislative Committee, and Milton Brooding, the liaison between the Legislative and War Mobilization Committees, to consider ways and means of implementing the price suspension resolution passed by the Association at the Convention in Atlantic City, and also to develop plans for presenting the industry's case at the hearings before the Senate Committee on Banking and Currency. The following procedure was agreed upon:

"First, that a delegation of three from the War Mobilization Committee present to the chairman of the OPS Decontrol Committee, the N.C.A. resolution on suspension of price control, and to take such steps as are necessary to obtain compliance with the resolution.

"In preparation for the hearings before the Senate Banking Committee which begin Tuesday, March 4, the following procedure has been agreed upon:

"A statement be prepared and submitted to the Committee by March 4 presenting the industry's case for suspension of price controls. This statement is to cover all canned foods. A survey of a representative group of canners is to be made for the purpose of assembling information on market prices as they relate to ceilings. This information will be tabulated and used by Henry P. Taylor, interim chairman of the Legislative Committee, who will be the industry witness at the hearing. Mr. Taylor

will be supported at the hearing by a small group of canners.

"(signed) L. Ratzesberger, Jr.,
"Chairman"

On March 5, Henry Taylor, Milton Brooding and I presented the Association's resolution on control suspension and asked what the OPS Decontrol Committee planned to do about the request to remove controls on canned foods.

In brief, the reaction we got was that OPS considered decontrol such a complicated problem and a formula acceptable to them would have to be so involved as to hold little promise of suspension in the foreseeable future.

Meanwhile material was being prepared by members of the Association staff for the hearing before the Senate Banking and Currency Committee on March 11. You will hear about that from another, but I would like to express a word of praise for the Association staff and Counsel, and the canners who worked intensively on this matter, and especially for Henry Taylor who presented the testimony.

We were urged by OPS not to press for suspension at that time, but to wait for a couple of weeks when there would be some new decontrol standards which would more nearly apply to our industry.

Since we had been told that our industry had not been on record with OPS for decontrol as some industries had, a letter was forwarded to Price Director Arnall on this subject by President Heinz on April 28. This letter was published in the N.C.A. INFORMATION LETTER of May 3.

A reply to this letter was received by N.C.A. on May 9 from Mr. Arnall stating that the agency would look into the matter.

preparation of the new 1952 regulations. It took a few meetings and a lot of correspondence and follow-through to get these data completely assembled and presented.

When this was done, OPS, seeing that there were numerous technical aspects involved; and recognizing also that, through the industriousness and thoroughness of the Committee's work, the industry was willing to really work constructively, suggested that they (OPS) receive the benefit of the help of industry consultants. Accordingly the following consultants were appointed by the agency:

Alfred J. Stokely, Stokely-Van Camp, Inc.; W. H. Carr, California Packing Corp.; Joseph M. Steele, Steele Canning Company; H. L. Wedertz, Lakeside Packing Company; and Glen Knaub, P. J. Ritter Company.

The industry owes these men and their companies a real vote of thanks. They performed difficult and hard work and devoted an endless amount of time to it. Regardless of what the 1952 outcome will be, this Committee is satisfied that, at least as to the technical aspects of the regulations, very real and very substantial progress was made. The consultants are in a large way responsible for this effort.

Work of the Committee and the consultants progressed through several meetings, and we attempted to bring all of it to a head at a meeting in Washington on April 18. At about this time two complicating factors emerged that went far to nullify a lot of the work that had been so effectively accomplished. One of these was the steel controversy; the other, the application by OPS of the Johnston formula. Under that formula standards for raising ceilings are established. Application of the Johnston formula would provide price relief to an industry that can show its current earnings are less than 85 percent of its earnings in the best three of the four years 1946-49. In many respects this gave the industry and the Committee quite a setback, because it wiped out a lot of the work the consultants and the Committee had been engaged in for the previous several months.

From the very beginning we have pressed hard to get 1952 ceilings in effect on the crops as they matured. The agency has constantly assured us that regulations would be issued far enough in advance of each item to permit the figuring of ceiling prices. In fact, we had hoped today to be able to report that Orders 55A and 56A had been promulgated and in force. We have constantly stressed to OPS that it is absolutely essential, in order to avoid hardships, that we should have the pea regulations out by May 15 and regulations on cherries and apricots as of June. We have been

Report of the Steering Committee on OPS Matters

By E. A. Brown, Chairman

The Board, you will recall, was authorized last October at the Berkeley meeting to appoint a special committee to be known as the N.C.A. Steering Committee for OPS Matters. The group was to serve as liaison between N.C.A. and the Office of Price Stabilization, for the purpose of conveying helpful information, when needed, between the two. It was hoped that the subcommittee's performance would improve, where needed, the pricing regulations affecting canned fruits and vegetables.

I must report that this Committee has been a hardworking group; first, under the chairmanship of Lou Ratzesberger, and later when I was appointed to take his place in 1952. The first task the Committee undertook was to obtain from industry reports

and listings the inequities and hardships created under the 1951 regulations and to recommend changes within the law and under terms of fairness and equity that could be avoided when OPS drafted the 1952 controls.

With thorough cooperation and assistance of the state and regional secretaries, survey forms were drafted and distributed that would canvass the situation, and, as a result a considerable list of subjects for consideration was compiled. These included such items as the base period, increased packing cost factors, new product pricing, early issuance of the new regulations, and a host of other problem-subjects. With the valuable help of the Association staff and Counsel, these were summarized, and the data were presented to OPS in the hope that it would guide the agency in the

assured that such relief as was granted this past year in such special situations as tomato products and some other canned foods would be preserved in the new orders. Also, we were assured that CPR 42 would be

amended or extended to cover 1952 asparagus packs, and that has been done. We are still trying to serve the industry and the N.C.A. and to help OPS to make pricing regulations more workable and equitable.

Report of the Procurement Committee

By Alfred J. Stokely, Chairman

The objectives of the Procurement Committee, although never spelled out, have been to carry the views of the industry to the federal government agencies that buy canned foods or are involved in government procurement activities and to assist these agencies in the development of programs that are fair and equitable to the government and to the industry.

Since the start of Korean hostilities, military procurement problems have received very active attention by the Procurement Committee and by Association staff and counsel. It is doubtful that an Association Committee ever worked any harder in behalf of the industry and unselfishly to help a government agency. Certainly, the program for military procurement recommended by the Committee and by the industry was designed to assure the government that it would obtain its requirements.

The cumulative reaction to the 1951 procurement program did not demonstrate itself until late last year. Immediately, the Procurement Committee began a survey of the industry's views for a program for 1952. The state and local associations assisted in the survey and the results were translated into a new statement of recommendations to the Quartermaster General.

Although canners favored the continuation of negotiated buying through a field buying organization, the Walsh-Healey exemption, and a set-aside program for 1952, the Committee found that general industry acceptance of the program was subject to the following conditions:

1. Assurance to the industry that requirements expressed in set-aside orders are reasonably firm estimates. In other words, that there will be no substantial cutbacks as was the case last year.

2. That contracts executed pursuant to letter contracts after the expiration of the Walsh-Healey exemption will not be subject to Walsh-Healey.

3. The inclusion in set-aside orders of an automatic release mechanism applicable to canners who have entered into letter contracts.

In addition, the Committee also advised the Quartermaster General that (1) the pricing policy should give recognition to the individual canner's prevailing market prices, (2) that shipping instructions should be issued

promptly and that the canner's warehousing responsibility should not extend beyond 180 days, and (3) that the standard termination clause in the proposed letter contract should be modified.

Since last fall all of these conditions have been the subject of many discussions and conferences with OQMG officials.

In summary, the Quartermaster's program for the procurement of canned foods this year includes mandatory set-aside orders on the major items and field buyers negotiating directly with canners for both set-aside and non-set-aside items. Canners will be entitled to avail themselves of either letter contracts or firm price contracts, both of which will be proposed to them in advance of the actual pack of the products. Both forms of contract will afford maximum protec-

tion against any cutback in requirements. Each canner will have to use his own individual judgment as to the advisability of entering into such contracts on the basis of the terms included.

With respect to the problem of negotiating a satisfactory price, canners have their individual experiences in Army dealings in the past to guide their judgment.

The present program is not all that we might have desired, but efforts to obtain changes in any of its fundamentals would produce delays which would impede effective procurement for 1952. We believe there will be improved administration of the program. The Procurement Committee plans to watch the operation of the program closely this season. We want the industry to keep us informed of difficulties in the program. We suggest that you also keep your local association posted and immediately bring major problems to the attention of the Chicago and Oakland purchasing offices. We want to be prepared to accurately report the industry's reaction to this year's program and to be able to make documented and constructive suggestions for improvement to the Quartermaster General. Please give us your help.

Report on Tin Plate

By Oliver Willits, Chairman,
Subcommittee on Containers

When Secretary Campbell requested me to make a report to the Board on the tin plate situation, he suggested that, as an approach, I might review the chronology of the can order. On investigation, I find that our files contain 1,054 pages on this subject, and I therefore have no intention of reviewing them and thus creating any competition with anything scheduled to follow this meeting. Besides, it would be a prime case of Monday morning quarterbacking.

The new amendment to the can

order, M-25, came out on May 14 and was analyzed in the INFORMATION LETTER of May 17. The order pretty nearly puts us back on the pre-Korea basis, except as to tin coating, and in that department there have been only isolated complaints. If there are hardship cases I am sure our friends in the Container Division of NPA will be sympathetic. They are always sympathetic. We have had splendid cooperation from our friends in USDA, and the representatives of the can companies have guided us whenever they could. Last but not least, our own N.C.A. staff has been tireless in getting up statistics and facts that we could use in our presentations.

Basic Activities of the National Canners Association

By Fred C. Heinz, President

In dealing with the next subject on our program, which may be regarded as vital from many points of view, I should like to take the liberty of making a few prefatory observations.

The job of serving as President of this Association is an extraordinary educational opportunity. Of course, one has the privilege of meeting hundreds of canners in many sections of the country, and of learning of their particular problems and achievements. But most illuminating to any man is the unfolding to him of the

scope of the work of this Association—not the work which at any given moment is a subject of industry interest—but of the manifold regular activities which go on day by day in the various divisions and which are of continued, long-time importance to the canning industry.

In the *Annual Report of the Secretary* there are some 25 principal subject headings. When you come to examine this report, you will be surprised to discover that all but six of them report the regular activities of the Association, as distinguished

from those directly related to the present defense program, such as pricing or government procurement. When I came to look further into this scope of the routine work being done by the Association, I was struck by a number of things which perhaps may interest you.

In the first place, despite the demands of what I might call war work, each of these regular Association activities must go on and does go on. Even though the demands with respect to pricing, metal container problems, procurement and other defense program activities have drawn heavily upon the time of the staff, nothing else is being neglected. The service work of the laboratory continues, the preparation and issuance of food standards and their amendment goes on apace, the statistical reporting continues despite the added burdens put upon that division, and, of course, the claims work is always active. In short, no matter what unusual demands emerge out of the defense program, the regular business of the Association must and does continue.

Next, I have been struck by the fact that so much must be done to maintain the welfare of the canning industry about which the typical member of the Association remains blissfully unaware. In a sense, the conduct of what is now a million dollar enterprise requires constant administrative supervision. But the real peculiarity is that these day-to-day jobs—for groups of canners and the industry as a whole—have come to be so efficiently done that canners forget the amount of time and effort they require. It has become a commonplace that anything that affects the canning industry on a national scale will be dealt with by the Association. Of course it is.

Yet much of the work—well and efficiently done—comes to the attention in any one year only of those who pack the particular commodity that is currently affected.

Everyone assumes that things will be taken care of. What is everybody's business comes to be no single canner's responsibility, but everyone has come to feel with assurance that the N.C.A. will take care of it.

Whether it is detecting and countering adverse publicity for canned foods, whether it is obtaining proper publicity for the industry's achievements, whether it is checking and discovering and remedying new commercial codes which would impose liability, whether it is to learn about and evaluate the possible effects of antibiotics on canning, whether it is a new grocery code by the Federal Trade Commission or new regulations and rules by the Food and Drug Administration—everyone expects the N.C.A. to be abreast of the developments, automatically to do what is necessary, and at a moment's notice to give full information about it.

Of course, when the lightning strikes an individual canner, he becomes happily aware of how he can rely on the Association. If he has a consumer claim, or if he has a seizure and needs laboratory check, or if he gets a complicated and burdensome questionnaire from a government agency he had never heard about, or if he gets a visit from a wage and hour law inspector—then he appreciates why it is essential that these regular activities continue despite the demands of the war program.

I became so interested in this aspect of Association work that I asked questions and made some comparisons.

What I found was an amazing fact. Not only does all of this routine service of the Association continue day after day, despite the added work on federal controls, but the plain fact is that the volume of necessary regular work has expanded with the increase in the industry. I won't belabor you with statistics. Yet look at a few facts. Ten years ago canned fish problems were handled by the Secretary and Counsel and reported in the INFORMATION LETTER. Today, they are carried on by a separate department, with added personnel and a separate weekly bulletin. In the early days there was no Labeling Division and the Secretary, with help from the Laboratory and Counsel, handled all labeling questions. Today, there is a separate Labeling Division doing effective work.

Home Economics had no kitchen in the early '30s. Today it has a splendid one, and its performance augments the regular service rendered by our home economists.

The Laboratory had a single motorized field unit. Today it has four, with a total of 11 vehicles, including

a trailer. Ten years ago there was no separate sanitation program nor nutrition program, both of which have come to be routine.

Not long before I came with the Association, statistical work was done by one man and a clerk. Today, the volume of statistical work requires the services of six people.

The INFORMATION LETTER used to go to 1,000 people. Now it goes to 3,000. Fifteen years ago it came to 316 pages for the year; in 1951 it had 634 pages, including copies of government regulations. In 1951 there were over 138 press releases and 52 publications. The Convention press room regularly services more than 100 press, wire, and radio people.

I have mentioned administration and mechanics. In the early days, 50,000 pieces of duplication during the year was considered tremendous. Last year, with the addition of defense mailings, the total was over a half-million. In the old days, the daily mail could be carried by hand to the post office box at the corner where the old building stood. Today the material is never less than 10, and sometimes goes up to 50 mail bags per day.

As the Budget Committee knows, the postage bill alone is now over \$23,000; 20 years ago it was \$2,000.

All in all, I wish there was some way that we could emphasize to the individual Association member that, wholly apart from the special problems with which he is immediately concerned in the field of pricing and containers and sales to the Army, this widespread and necessary regular work of the Association continues on this expanded scale—and in large measure must in his interest and in the interest of the entire industry.

Report on New Mat Service for Food Editors

By Katherine R. Smith, Director,
Home Economics Division

The new recipe release mat service which has been started by the Home Economics Division will be supplied, under present plans, to over 1,000 small daily and weekly newspapers.

On the mailing list are 753 small daily papers, most of which have circulations of from 5,000 to 15,000. The weekly papers range in circulation from 3,000 to 5,000. Combined total circulation of the newspapers is approximately 7,750,000.

The mat service for smaller newspapers along with the release and photograph service to food editors of metropolitan newspapers permits a more complete coverage of canned foods. The metropolitan releases are prepared each month. This nationally distributed service goes to four mail-

ing lists so that exclusive material is available each month to four newspapers in a city. Many smaller newspapers, having no food editor, have found that their women readers also like recipes. The new mat service now being sent by the Home Economics Division furnishes tested recipes and menu suggestions for this group. The mats are easily cast into stereotypes for printing.

This mat service is in no way connected with advertising. It is a reader service for the women who subscribe to the local newspaper. Care must be taken to see that only one newspaper in a town receives the mat, because we are in a sense "ghosting" the recipe column for the editor. Considerable thought and consideration has been given to the advisability of reaching more of the lower circulation weekly newspapers, and it is possible that

the mailing list may be increased later on. In checking with various other institutes, associations and firms supplying similar recipe mat services, it was found that a list of 1,000 was considered to give good coverage although some firms have a larger distribution.

The service is relatively inexpensive. Recipes are developed in the N.C.A. kitchens and are taste-tested for acceptability. After the food is photographed in the kitchens, the plate and mats of the photograph and recipes are made up. Mailing is handled through the N.C.A. mail room.

Report on Radiation Studies

By E. J. Cameron, Director
Washington Research Laboratory

There is an increasing amount of interest in the canning industry on the subject of "cold" sterilization by radiation. In some cases this interest has approached the stage of excitement. In view of this interest the Research Committee directed the laboratories to establish a project on the fundamentals of sterilization by radiation to keep in touch with developments in this field, and to maintain themselves in a position to advise the industry in regard to progress on research in all important laboratories concerned with radiation studies.

Consideration of the possibilities of "cold" sterilization is not new. Fundamental work on this subject has been under way for several years at the Massachusetts Institute of Technology and much scientific information has been brought to light as a result of this work. The early work at M.I.T. studied the possible use of X-rays in sterilization and, later on, emphasis was given to the utilization of cathode rays produced by a high voltage generator. Recently a third type of radiation, the gamma rays, have been brought under scrutiny and it is with this type of radiation that we are working. Gamma rays possess high penetrative power and they are destructive to bacterial life. Gamma radiation is now receiving scientific attention at a number of universities and its various effects on foods are being studied.

This interest in gamma radiation is associated with a waste disposal problem, one of the most important in history. In the Atomic Energy Program there has accumulated a tremendous amount of waste products from the nuclear reactors, or atomic piles. The radioactive wastes cannot be disposed of by discharge to a stream and cannot be taken care of by any of the usual measures. Nor can they be made non-radioactive. Thus, these tremendous and growing quantities of waste are being stored under special conditions.

Now it is conceived that there must be some uses for material of this kind and with the support of the Atomic Energy Commission the Stanford Research Institute has made a survey of possible uses in the industry. The most important future application

suggested by the Institute is food sterilization. Second, sterilization of antibiotics and other drugs is suggested where heat sterilization would be destructive to drug properties. A booklet entitled "Industrial Uses of Radioactive Fission Products" is available at the Atomic Energy Commission or at the Stanford Research Institute, which will be informative to anybody who is interested.

Under the long-time planning that has been projected, the radioactive wastes from the atomic piles will be concentrated to produce "sources" with "millions of curies." We are nowhere near that point at present and the present sources of highest energy are in the neighborhood of 5,000 curies. When "millions of curies" are available, the planning calls for the placement of the sources in places where they would be used for sterilization. The Stanford book attempts to estimate costs of radioactive energy on an industrial basis, but it is probably too early to get any realistic idea of the cost situation and the details of installation, upkeep and replacement. The Atomic Energy Commission estimates that "millions of curies" will not be available before 1957.

Earlier work on radiation with X-rays and cathode rays demonstrated that we must look beyond the problem of sterilization. We know that radiations will kill bacteria and spores if the treatment is long enough and we are confident that if high enough energies can be obtained it can be done in a very short time. But what happens to the product while the bacteria are being destroyed by the radiations? We know that some enzymes are more resistant to gamma radiations than bacterial spores and if our sterilization time is the minimum for the bacteria, some enzymes may not be destroyed. We know that there is an effect on the nutritive factors of some products. Vitamin C and other vitamins are affected by gamma rays. Abnormal flavors and odors may be produced. In some products toxic compounds may be developed. It is obvious that we are dealing with a whole group of related problems, each of which must be treated separately and solved before intelligent application is going to be possible.

Our project has been designed to expand our information in regard to the sterilization capabilities of gamma

rays. We know that radiations will kill bacteria, but we are looking for information specifically relating to the heat resistant organisms in which we are most interested. Moreover, in our laboratories we have had specialized experience with studies on spore resistance and we have felt that our laboratory techniques can be adapted to the new problem.

We have made our first series of radiations at the Brookhaven National Laboratory and the bacteriological findings are just about completed.

The work was done at the Brookhaven National Laboratory which has been set up by the AEC to undertake research on peacetime applications of atomic energy. Exposures were made in the pure radioactive sources cobalt 60, and tantalum 182. These sources are in the nature of heavily insulated pipes about 13 inches in length and 1½ inches in diameter. Material to be exposed is introduced into the source interior by remote control. The sources are of very high intensity relative to other existing sources of radioactive energy (radium pencils), but very low relative to the energies projected by the Stanford report. Our first exposures disclosed that:

1. Spores of spoilage organisms can be destroyed.
2. Ninety-nine percent destruction of the most radiation resistant spores (*Clostridium botulinum* 62-A) that were tested required 25 hours exposure in the tantalum source and 5½ hours in the cobalt source.
3. In terms of Roentgen units 99 percent destruction was accomplished by 4,000,000 in the tantalum source and 2,200,000 in the cobalt. We can only speculate as to the difference in performance, but this illustrates collateral problems that are bound to arise.
4. We have heated, then irradiated, spores and have found no effect from preheating. Also, we have irradiated spores for a moderate time, without affecting the normal heat resistance.
5. From our first series of irradiations we are attempting to determine whether short or moderate exposures produces a residual effect. In other words, will short exposures cause partial damage to the spores which will progress beyond the time of exposure and eventually kill the spore?

From the results of our first tests we are preparing a Phase II series of irradiations and we may have still a third lot completed by the end of the year.

The Stanford report makes certain assumptions and estimates concerning the costs of sterilization of canned ham and canned peas after "millions of curies" become available. These economic evaluations are difficult for me to follow, but at the present stage of thinking, capital investment and production cost estimates are inter-

esting. For example, on the assumption that all technical difficulties can be solved and the cost of energy per curie would be from 1 to 20 cents, a one line pea plant producing 15,000 pounds per hour with a 20 hour per day operation would have a capital investment cost of from \$250,000 to \$3,100,000. When you take into consideration that the earliest estimates of availability of "millions of curies" is 1957, you can readily see that "cold" sterilization is not just around the corner. Mr. B. Manowitz of Brookhaven National Laboratory, who addressed one of our technical conferences at Atlantic City, gave us a conservative analysis of the problem from a time standpoint. He pointed out that no fission product sources have yet been made. All thus far have been pure substances such as cobalt or tantalum used as mock sources. He estimates that ground

work in fission product sources will take at least two years. Development work will take at least two additional years. Five additional years will pass before cheap mega curie sources (millions of curies) of suitable fission products are available. Thus you have a nine-year estimate from one who likes to think optimistically about the end-point of the program.

I would estimate that our laboratories have at least two years' work ahead of us to obtain the information we wish to have with respect to sterilization by gamma rays. At the end of that time there will be a great deal of new information from other laboratories dealing with nutrition, toxicology, and food abnormalities. At that time we should be in a position to predict more intelligently the ultimate possibilities of "cold sterilization."

Report of the Raw Products Committee

By Stanley Macklem, Chairman

I am glad for the opportunity to make a brief report of the work of the Raw Products Committee.

This is an important Committee because our work not only deals with the development of new and different varieties of fruits and vegetables for canning, but also with the continued improvement of existing varieties both as to their quality and yield. We feel we are responsible for expediting the development of mechanical equipment for harvesting canning crops, in order to reduce costs and make the growing of canning crops more attractive to farmers. It is our feeling that there is no more important work our Association could be engaged in than to improve the quality, increase the yield, and reduce the cost of our raw material.

Gentlemen, this cannot be brought about by wishful thinking, and it cannot be accomplished by canners individually. Our Committee feels that while much has been done, much more can be accomplished on an industry-wide basis with a well-thought-out, well planned, progressive program.

Our Committee feels, too, that our industry can look forward to continued reluctance on the part of farmers to grow canning crops, especially in the areas where canning crops are in competition with price-supported crops, unless yields are increased and harvesting labor reduced. This is another reason why the best minds in our industry should be directed toward solving some of our raw material problems.

Our Committee is fortunate, and we feel the entire industry is fortunate, in that we have the Raw Products

Bureau under Dr. C. H. Mahoney, and the Raw Products Technical Advisory Committee to help us. I believe you are familiar, certainly in a general way, with the fine work which Dr. Mahoney is doing. I won't take time here to comment on his work except to make mention of the fact that he has been able, through the various state experimental stations and state agricultural colleges, to accomplish a tremendous amount of work at a minimum cost to our Association.

I would, however, like to take just a few minutes to discuss with you the work of our Technical Advisory Committee. This Committee has been enlarged this year and now consists of:

J. D. Barnard, Chairman, Green Giant Co., Le Sueur, Minn.; Morton Adams, Alton Canning Co., Inc., Alton, N. Y.; Ben F. Counter, The Fort Lupton Canning Co., Fort Lupton, Colo.; William E. Hays, Gerber Products Co., Fremont, Mich.; J. E. Johnson, Blue Lake Packers, Inc., Salem, Ore.; J. P. King, Birds Eye Division, General Foods Corp., Rochester, N. Y.; I. E. Knickerbocker, Beech-Nut Packing Co., Canajoharie, N. Y.; L. A. Korits, California Packing Corp., Rochelle, Ill.; A. C.

Mell, Stokely-Van Camp, Inc., Indianapolis, Ind.; Mark H. Mitchell, The Larsen Co., Green Bay, Wis.; Willie C. Moore, H. J. Heins Co., Berkeley, Calif.; D. R. Porter, Campbell Soup Co., Davis, Calif.; M. D. Reader, H. J. Heins Co., Pittsburgh, Pa.; Fred S. Wyatt, Gerber Products Co., Oakland, Calif.; J. O. Young, Libby, McNeill & Libby, Blue Island, Ill.; and S. G. Younkin, Campbell Soup Co., Camden, N. J.

This is a very strong, very capable, and very active Committee. The men are all technical men in the field of agriculture. They met in Chicago in early April and developed a comprehensive program for this year. Time permits me to touch only briefly on the work which they are doing this year, but it is important and I assure you it will be well carried out.

They have four major projects. The first is pea plant spacing and plant population studies. This is an involved program but pea seed costs are high and there has been little long term improvement in the yield of peas. It is felt there should be a re-evaluation of planting methods and plant populations. Another project is the development of precision planters for vegetable crops. We're sure the industry recognizes this need, not only for planters which will drop a given number of seeds but which will do it without injury. The Committee is also making a study of the suitability of present bean varieties for harvesting with mechanical harvesters. The mechanical bean harvester has been perfected to the point where a number of units will be in commercial use this year. Finally, a study will be made of new types of equipment for more adequate spray coverage of row crops.

This Committee also is working with seed companies on a program to increase the vigor, vitality, and germination of all seed for canning crops.

This concludes my report and in closing I would like to say that the Raw Products Committee, the Technical Advisory Committee, and the N.C.A. Raw Products Bureau will welcome any suggestions or criticism for improving our work. If you have any problems you would like to see us work on, we would appreciate having them. We may not solve them but we'll try.

What the Canning Industry Should Do about the Off-flavor Problem

By Dr. C. H. Mahoney, Director, Raw Products Research Bureau

I should like to point out one problem with which I think you as Directors of the Association should be more familiar. It cannot be ignored any longer. We are likely to be confronted with adverse flavor effects in canned foods caused by applied chemicals.

Unfortunately, too many people are making recommendations and suggestions and too many amateur entomolo-

gists and pathologists are telling growers and canners which chemicals to use on their canning crops. I realize, of course, that many companies have research programs of their own and are making these tests themselves. The Food and Drug Administration held hearings in 1950 to establish residue tolerance levels on fruits and vegetables, but nothing has been released by them since that time. The lack of constructive suggestions on the part of the Food and Drug Administration has caused many of the agri-

cultural experiment stations in the U. S. to consider withdrawing all recommendations for chemical control of insects and diseases in order to disclaim any liability until such time as legal tolerances are established. Nevertheless, as canners you must realize that you are legally responsible for the canned foods which you sell under your label. Eventually the residue situation will be clarified and probably residue tolerances will be released by the Food and Drug Administration. However, they are not assuming any responsibility for possible flavor effects caused by applied chemicals. Last week they issued a release permitting the use of chlordane on potatoes for wireworm control, but recent work proves quite conclusively that chlordane causes off-flavor in potatoes.

What can the canning industry do about this flavor problem? It seems to us that at the state or regional level canners will necessarily have to take a greater interest in the recommendations being made on chemical control of insects and diseases. This applies not only to contract crops but also to those fruits and vegetables purchased on the open market. Since the canner has practically no supervision over the production of these open market crops, they present the greatest hazard with respect to residues and off-flavors.

The number of chemicals which are suspected of causing off-flavor is not large. This problem does not appear to be so complicated that it cannot be solved by cooperative effort of the research divisions of entomology, horticulture, and food technology at the

state agricultural experiment stations. The food technologists and horticulturists, we believe, are fully capable of making the necessary discriminatory, sensory panel tests on canned samples which will determine whether the changes, if any, are significant as a result of applying insecticides.

Our industry could furnish food technologists and raw products men to act as a regional steering committee to work with the experiment stations in planning the work, furnishing technical help on processing of crops and, if needed, both moral and financial support. The steering committees might also be of help in furnishing experienced "tasters" to aid in the final evaluation of samples for flavor effects. Through such a coordinated research program it should be possible to formulate recommendations for the control of insects and diseases which are not only effective for crop production but also will not adversely affect the marketability of the canned product.

You might ask what is this going to cost you. Primarily, the cost will be your time and effort spent working through your state association to persuade your agricultural experiment station to do this work as a regular part of their tax-supported research program. It might be necessary to contribute financially to get the program started and this in turn would create more interest on the part of the canner in the program.

I repeat, gentlemen, you should be more apprehensive as to the indiscriminate use of all types of chemicals on the crops you are processing.

Report on the N.C.A. Labeling Program

By C. Meryl Sullivan, Director,
Labeling Research Division

As many of you know, the N.C.A. descriptive labeling program started as a defense against the threat of compulsory grade labeling back in the NRA days. Since that time it has developed into a constructive rather than merely a defensive activity.

This development has been especially evident during the past year. *Modern Labels for Canned Foods*, the new edition of the N.C.A. labeling manual, has become the standard reference book on labeling for the canned foods industry. Copies of it are now in the hands of all canners and label manufacturers. Distribution has also been made to several hundred wholesale grocers who own private brand labels and to many food brokers. Requests for copies have been received from food processors in seven foreign countries, as well as from a number of officials in local state governments in the United States. This interest is due to the fact that favorable comments about the manual have ap-

peared in 14 trade papers and magazines.

Among the interested organizations that requested copies of the manual was the Council on Foods and Nutrition of the American Medical Association.

To make the manual a more helpful tool, we have set up a manual mailing list. This is something new. It is a method for establishing a line of communication directly with the more than 4,000 manual users, so that the newest labeling information may be sent to them as promptly as it becomes available. It also serves to remind them that N.C.A. is ready and able to help them on any specific labeling problem they may have. Incidentally, we do not attempt to give legal advice, but I might mention that the Food Law Institute gives an excellent short course for lawyers practicing in the food field. It emphasizes the legal aspects of labeling, food standards, and sanitation problems.

Under the direction of the Technical Advisory Committee to the Labeling Committee, recent laboratory work on

methods for measuring the ripeness of apricots and peaches has been most encouraging. Some years ago these studies were discontinued because there seemed to be no solution to the problem. It now looks as though the work planned to be done on this year's pack will result in a practical means of measuring the levels of ripeness of these fruits. If this turns out satisfactorily, appropriate label terms for the different levels of ripeness will be worked out, and recommended to the industry. Additional work is being done on methods for measuring the consistency of cream style corn, and the maturity of lima beans and mixed sizes of peas.

A basic concept of the N.C.A. descriptive labeling program is the conviction that labeling terms should be standardized in use. By that we mean that canners and other label owners should agree voluntarily to use one and only one term to describe each quality factor of canned foods. Other terms may be equally valid in themselves, but the N.C.A. Labeling Committee is confident that the best interests of the consumer are served by not requiring her to learn and remember different words which say the same thing. For example, she should not be obliged to remember that an "Early Pea" means the same thing as a "June Pea."

At its meeting on May 18, the Labeling Committee decided to stress for the immediate future the use of our recommended descriptive labeling terms on the four major fruits and the four major vegetables—to ask the cooperation of the industry in adopting these terms and in using them uniformly and consistently. By major fruits and vegetables is meant green beans, corn, peas, tomatoes; apricots, cherries, peaches, pears.

As part of our effort to bring about industry-wide standardization in use of labeling terms, a questionnaire was sent to all canners last July asking their preference for one of the terms under the mandatory provisions of the FDA—where more than one alternate term is permissible.

Because the replies to this and to a follow-up letter on it were not considered adequate, the Labeling Committee at the Convention meeting in January decided to review the situation, product by product, sending to all packers of each canned food a "referendum" showing the consensus of opinion on labeling terms of the majority of canners who had replied to the questionnaire, and asking each packer of that product whether he agreed with the majority, or had a different opinion.

That referendum went out last month to the packers of peas and corn. As yet less than 25 percent of them have responded. Among those

who have not answered are certain of the large packers.

In conclusion, may I remind you that the Labeling Committee is making every effort to develop further, and put into practice, the descriptive labeling program which this Board has several times endorsed officially. But no matter how much good work the Labeling Committee does in de-

veloping a program, it is all in vain unless the industry puts the recommendations into practice.

Will you please help by seeing that your firm applies the N.C.A. recommendations to your own labels? We have preached the gospel of descriptive labeling for almost 18 years. Now let's try to practice a little more of it.

Economic Outlook

By Dr. Howard L. Stier, Director, Division of Statistics

This discussion will be concerned principally with the current and immediate future outlook rather than the long-range outlook. The long-range outlook is not nearly as clear or bright as the outlook for the remainder of 1952. Most "experts" agree that, on the basis of economic conditions, business should be better than it is at the present time and it probably will be as soon as the present labor unrest is over. Here is how some of the major economic indications stack up at the present time:

Consumer demand is expected to continue strong throughout 1952.

Exports of agriculture products may decline in the latter half of 1952. However, no major decline is expected in canned food exports.

Total expenditures by consumers, business and government in 1952 are expected to be about 5 percent greater than 1951 expenditures.

Defense expenditures will continue to be a major factor in the U. S. economy. By the end of 1952 they are expected to reach the high annual rate of \$60 billion which will represent 17 to 18 percent of total U. S. expenditures. Defense expenditures averaged about 14 percent of the U. S. total during the first quarter of 1952.

Consumer expenditures are expected to pick up moderately during 1952. Consumer savings are still relatively high—7.7 percent of disposable income in the first quarter of 1952. Consumer credit continued to decrease during the first quarter of 1952 and by March was about 5 percent below the December, 1951, level. Investment spending is expected to be high, but the rate will probably decline.

Production and employment are expected to increase gradually during 1952. Industrial production actually decreased about 1 percent in April, probably because of the steel strike. The index of production for manufactured food products in March, 1952, was 167 percent of the 1935-39 average, which was exactly the same as the index a year ago. Unemployment was at the low level of 2.6 percent of the total labor force. It is expected

to continue low for the remainder of the year.

The consumer price index for all commodities declined slightly in February but went up in March and April, as did the index for all foods. However, canned fruits and vegetables showed a decline in April. Prices of apparel and house furnishings also declined in April.

Price Index 1935-39 = 100

	April 1952	March 1952	April 1951
All commodities.....	188.7	188.0	184.6
All foods.....	230.0	227.6	225.7
Canned fruits & veg....	163.5	163.9	168.9

Agricultural prices: The price-cost squeeze of producing farm products is expected to continue during 1952. In mid-April prices received for farm products were 7 percent below the February, 1951, peak. On the other hand, costs of producing farm commodities were 5 percent above February, 1951, and at a record level. Prices that farmers received during the first four months of 1952 averaged about 3 percent below the average for all of 1951.

Agricultural production: The combined output of dairy and poultry products is expected to be above the 1951 level. Preliminary estimates for 1952 indicate a crop acreage of about the same as 1951.

Fruits—a large crop of deciduous fruits is indicated for 1952. The demand is expected to be about the same as last year; prices may average a little lower. By the first of May the production of frozen concentrated orange juice was about twice the volume on the same date a year ago. Total production by the end of the 1951-52 season will probably be about one-third larger than last year's production. Production of canned single strength orange juice is down from a year ago.

Vegetables—there will be a slightly smaller supply of fresh vegetables for spring markets in 1952.

The intended potato acreage in 1952 indicates only a slight increase in the 1952 production over 1951, if the yields are average.

The 1952 total indicated acreage for processing vegetables is about the

same as the planted acreage a year ago. By commodities, the indicated 1952 planted acreage compared with the 1951 acreage is as follows:

Lima beans.....	Down 8%
Snap beans.....	Down 2 1/4%
Beets.....	Down 7%
Cabbage for kraut (contracted acreage only).....	Up 10%
Sweet corn.....	Up 8%
Cucumbers for pickles.....	Up 8 1/4%
Peas for canning.....	Down 3%
Spinach (Calif. & Texas Only).....	Down 3%
Tomatoes.....	Down 11%
Pimientos.....	Down 3%

The total acreage for all of the above 10 processing crops shows a decrease of 17,000 acres or 1 percent below the 1951 planted acreage.

Inventories and sales: The dollar value of March sales at the wholesale and manufacturing levels declined in March as inventories showed little change. A comparison of the inventory-sales ratios for March, 1952, as compared with March, 1951, are as follows:

Comparison of Sales and Inventory, March, 1951, and March, 1952

	Sales (billions of dollars)	Inventory as percent of sales
Total business ¹ 1952....	42.8	69.7
Total business ¹ 1951....	44.2	65.2
Retail, 1952.....	12.5	17.8
Retail, 1951.....	12.6	19.7
Manufacturing, 1952....	22.1	42.2
Manufacturing, 1951....	22.6	35.6

¹ Including wholesale.

Per capita disposable income declined in the first quarter of 1952 to \$1,451 compared with \$1,461 for the fourth quarter of 1951. Per capita disposable income for the first quarter of 1951 was \$1,411. It is expected to continue to increase during 1952.

In summary, there is a high degree of certainty that increases of 5 to 10 percent will occur in 1952 in disposable personal income, wages and salaries, and consumer expenditures, and demand for canned foods should remain as great as in 1951.

[Also presented as part of the presentation on "Economic Outlook" was a series of color slides showing trends in per capita consumption of canned vegetables, fruits and juices, and the relationship of wholesale prices of canned fruits and vegetables to the all commodity wholesale price index. Another series of charts showed the important economic changes that had occurred in the major regions of the United States during the past 20 years. The speaker showed the possible use that might be made of such information by canners in determining possible sales potentials for canned foods and in planning sales and promotion campaigns in the various regions.]

Summary of Remarks by Chief Counsel H. Thomas Austern on Legal and Legislative Developments

H. T. Austern, Chief Counsel of N.C.A., addressed the Board with particular emphasis on recent legal and legislative developments of interest to the canning industry. After referring briefly to certain phases of the national election and the political issues involved, he commented on a number of subjects of particular interest to the industry.

Food and Drug

Mr. Austern first discussed the recent decision of the Court of Appeals of the Ninth Circuit, which decided that no one could be prosecuted for refusing to grant permission to a food and drug inspector for entry into his plant. He pointed out that one section of the law provides that food and drug inspectors "after first making request and obtaining permission" may enter and inspect any establishment where foods are processed or held, while another section of the Act makes "the refusal to permit entry or inspection" a misdemeanor for the first offense and a felony for the second.

When a food manufacturer in the State of Washington was indicted for refusing to permit the entry of two food and drug inspectors, the lower court levied a small fine. The Circuit Court of Appeals took the position that this was a criminal statute to be strictly construed and that its inherent ambiguity required a judgment for the defendant.

Mr. Austern cautioned against reliance on this decision for both legal and practical reasons. The legal issue, he pointed out, will not be settled until after the review of the decision which the Supreme Court has agreed to make.

Mr. Austern also commented on the possible use of a new averaging concept in development of fill of container standards for canned foods. He reviewed briefly developments in this area in connection with the formulation of standards for canned pineapple and outlined the basic principle of the new theory. The variations that may occur in good commercial practice are determined by assembling data on fill of container of good commercial packs of a particular product over a period of years. The inspection technique involves the selection of a small number of samples and the determination from them by statistical methods whether the lot being inspected conforms to the standard. If the sample so indicates, then the entire lot passes.

Mr. Austern expressed the view that this is a new and important development which may eventually be applied in many other standards of fill of

container. It may be particularly helpful in the case of some fruits where the large size of the units make fill of container problems difficult.

Lobbying

Mr. Austern next reviewed briefly the provisions of the Federal Lobbying Act as background for a discussion of the recent decision of the special three-judge federal court declaring many of the principal provisions of the Act unconstitutional as applied to associations. He noted that the court in so doing voiced many of the doubts as to the meaning of the legislation which had been expressed by Board members in reaching the conclusion that the N.C.A. should voluntarily file informational returns under the Act.

Government Contracts

Turning to the problem of doing business with the government, Mr. Austern reminded the Board that the usual government contract provides that on questions of fact the decision of the contracting officer is final. He referred to the well-known *Wunder-*

lich case in which the United States Supreme Court decided that when such a provision was included in a contract, the contracting officer's decision was final in the absence of fraud. In so doing, the Court upheld a ruling of the Department of Interior, as the contracting agency, in the face of a Court of Claims finding that the Department's decision had been "arbitrary", "capricious" and "grossly erroneous". He pointed to the efforts made by many groups, including the N.C.A., to obtain Congressional reversal of this principle and noted the passage by the House last month of a Defense Appropriation Act provision which would prohibit further use by the Defense Department of this contract provision.

Steel Dispute

After referring briefly to the lack of action in the area of chemicals in foods and pesticides, Mr. Austern commented on the implications of the steel seizure issue. After preliminary remarks, he asked Stanley Temko, also of Association Counsel, to outline the principal issues in the steel controversy. Mr. Temko gave an interesting and illuminating account in detail of the various calendar stages in the legal proceeding.

Meeting of Board of Directors

(Concluded from page 179)

had met Monday morning, and the state secretaries. Speaker at the first luncheon was Ned Brooks, radio news commentator on NBC's daily program, "Three-Star Extra". Mr. Brooks reviewed the presidential campaign situation, and using tape recordings to illustrate his remarks, gave vivid descriptions of recent investigations of Washington officialdom.

The Directors then went into business session and devoted the rest of the day to consideration of and reports on various aspects of the current government controls programs. Besides Mr. Taylor's report on his price-suspension testimony, they heard reports by Louis Ratzesberger, Jr., Chairman of the War Mobilization Committee; by A. E. Brown, Chairman of the Steering Committee on OPS Matters; by Alfred J. Stokely, Chairman of the Procurement Committee; and a report on the can order by Oliver Willits. These reports are reproduced on pages 180 to 182. Reports delivered by Henry P. Cannon II and A. L. Koch, chairmen, respectively, of the Public Relations and Convention Committees, will be found on page 180.

Highlights of the Tuesday morning session were President Fred C. Heinz's address on the growth and performance of staff duties (see page 182); a series of reports by certain staff members on current activities (pages 183 to 187); and an address on the Washington situation by Chief Counsel H. Thomas Austern (page 188). Also, there was a report by Stanley Macklem, chairman of the Raw Products Committee (see page 185).

H. J. Barnes was presented with an engrossed scroll expressing appreciation of the membership for his meritorious service as 1951 president.

The Directors adjourned after their Tuesday luncheon, at which the guest speaker was M. Cleon Skousen, assistant to the president of Brigham Young University, who delivered an impressive account of the insidious manner in which communism is interjected into the minds of our youth. He illustrated with an account of the famous Canadian spy case, in which he had played an important part while with the Federal Bureau of Investigation.

The final official meeting of the spring series was a dinner session of the state secretaries, who were addressed by President Heinz, Secretary Campbell, and others.

STATISTICS

Green Peas for Processing

The 1952 acreage, planted or to be planted to green peas for processing, is reported at 469,110 acres, according to the Bureau of Agricultural Economics. This is only slightly less than the 1951 planted acreage of 471,900 acres and about 3 percent more than the average planting of 455,850 acres for the 1941-50 period.

Of the 1952 plantings, 123,950 acres will be grown for freezing and 345,160 acres for canning and other processing. Comparable figures for 1951 are 116,520 acres and 355,380 acres; for the 1941-50 average, 71,570 acres and 384,280 acres.

The 1952 acreage of sweet, wrinkled types totals 371,670 acres and smooth round varieties 97,440 acres. Comparable figures for 1951 were 367,940 acres and 103,960 acres, respectively.

BAE reported that most green pea growers had finished planting their seed by May 15 except a few in the northern part of Wisconsin and Maine or in western New York. However, information received by BAE indicates that in general the crop is developing favorably.

State	1951 Preliminary (acres)	1951 Planted (revised) (acres)	1952 Preliminary (acres)	Percent change, 1952 preliminary and 1951 revised
Maine.....	9,400	9,360	8,600	- 8
New York....	33,000	30,200	29,600	- 2
New Jersey...	3,240	3,230	3,400	+ 5
Pennsylvania..	14,300	12,000	12,900	+ 8
Ohio.....	3,300	2,700	2,500	- 7
Indiana.....	4,700	3,200	2,600	-19
Illinois.....	28,500	28,500	29,100	+ 2
Michigan.....	6,000	6,400	5,700	-11
Wisconsin....	134,000	134,700	139,000	+ 3
Minnesota....	59,400	56,800	59,000	+ 4
Iowa.....	4,700	4,700	5,600	+19
Delaware....	2,500	2,500	2,700	+ 8
Maryland....	7,000	9,120	8,000	-12
Virginia.....	2,100	2,100	2,100	...
Idaho.....	12,000	11,100	10,000	-10
Colorado....	4,100	4,200	4,000	- 5
Utah.....	9,840	9,600	8,600	-10
Washington...	66,200	64,400	61,200	- 5
Oregon.....	59,500	59,800	59,800	...
California....	10,870	11,500	10,700	- 7
Other states ¹ ..	3,790	5,790	4,010	-31
U.S. Total....	479,040	471,900	469,110	- 2.6
For canning and other processing...	356,700	355,380	345,160	-2.9
For freezing...	122,340	116,520	123,950	+6.4

¹ Ark., Ga., Kans., Mo., Mont., Nebr., Okla., Tenn., W. Va., and Wyo.

Pimiento Acreage

The prospective acreage of pimientos for processing in 1952 totals 17,500 acres, according to BAE. Acreage in Georgia is estimated at 15,000 acres and in addition, Georgia processors are contracting 2,500 acres in Alabama and South Carolina combined. This compares with 18,000 acres planted in Georgia last year and an average of 14,850 acres planted in that state in the 1941-50 period.

Plenty of plants are available and growers are making good headway in setting them in the fields, according to BAE. Strong winds around May 15 caused some damage to plants.

DEFENSE

CPR 14, Foods at Wholesale

A slight increase in markups on sales of certain canned foods was authorized for wholesalers by Amendment 13 to CPR 14, issued and effective May 20. The amendment allows wholesalers to increase their ceilings on canned fruit cocktail, pineapple, peaches, pears, corn, green beans, tomatoes, and tomato juice.

The increase in markups authorized by the amendment was made necessary, OPS said, "by the Director's determination that available data indicate a reduction in wholesalers' earnings."

CMP Reg. 6—Construction

Further relaxation of its construction regulations is planned by the National Production Authority beginning with the third quarter of this year.

NPA has announced that the basic construction order, CMP Reg. 6, will be amended effective July 1 to provide several major changes. Among these is an increase in the amounts of controlled materials that may be self-authorized for general commercial construction, beginning October 1, to 25 tons of carbon steel with no limit on the portion of this amount that may be structural shapes, 750 pounds of copper, and 1,000 pounds of aluminum.

Another change in CMP Reg. 6 will reclassify several types of projects, including transportation facilities, water and sewage systems, administration buildings, and garages and service buildings for industrial plants, from the commercial to the industrial category.

Defense Production Act

(Concluded from page 179)

lative and dangerous unstabilizing effect."

The amendments to the Walsh-Healey Act were proposed by Senator Fulbright (Ark.). They would exempt from the Act the purchase of supplies of standard type that are usually sold in the open market to purchasers generally and would provide for judicial review of orders issued under the Act by the Secretary of Labor.

These amendments, if enacted, apparently would exempt government purchases of canned foods from the contractual requirements of the Walsh-Healey Act.

The Committee voted to terminate price and wage controls on February 28, 1953.

The Senate Committee also adopted amendments that would reorganize the Wage Stabilization Board by making all of its members representative of the public and by removing from the Board authority to settle labor disputes.

The House Committee on Banking and Currency is scheduled to continue hearings on the Defense Production Act through May 28. The Committee expects to begin executive consideration of the subject about June 1. It is during the closed sessions of the Committee that the price control suspension amendment recommended by N.C.A. will be considered (see Supplement to INFORMATION LETTER of May 17, page 6).

Although the N.C.A. recommendation for a statutory formula for suspension was not presented to the Senate Committee, it is expected that it will receive sponsorship and be presented to the Senate as an amendment when the bill to extend the Defense Production Act comes before the Senate for floor action.

LABOR

Farm Labor Recruitment

The United States Employment Service has distributed to local employment offices supplies of farm placement materials designed to help in the recruitment of farm labor for work on crops to be harvested this season.

Included in the material are posters, facts for speakers, and sample scripts for spot radio announcements for local sponsorship.

RESEARCH

Fruit Fly Control

Baiting oriental and Mediterranean fruit flies to their death, rather than trying to control them with widespread insecticide spray programs, is reported by the U. S. Department of Agriculture to be a promising technique for control of this pest in Hawaii.

Scientists of the Bureau of Entomology and Plant Quarantine find that applying a mixture of sugar, a powerful new bait consisting of a protein compound of soy or yeast, and a quick-acting, residual insecticide, such as parathion, to limited areas of orchard foliage provides good control of fruit flies for as long as two or three weeks.

Fruit flies were attracted to bait-dipped guava tree foliage from distances of 50 feet or more. The results of tests led to the belief among the entomologists that bait-spraying may prove especially valuable for large-scale fruit fly control operations. Because the fruit flies can be counted on to seek out the spray, complete coverage is much less essential.

Forthcoming Meetings

- June 2-12—Institute of Food Technologists, Grand Rapids, Mich.
 June 9-10—Michigan Cannery Association, Spring Meeting, Park Place Hotel, Traverse City
 June 17-18—Maine Cannery Association, Summer Meeting, Lakewood, near Skowhegan
 July 9-10—National Kraft Packers Association, Annual Meeting, Catewa Cliffs Beach Club, near Port Clinton, Ohio
 October 2-7—American Meat Institute, 47th Annual Meeting, Palmer House, Chicago
 October 22-25—Florida Cannery Association, Annual Meeting, Casa Blanca Hotel, Miami Beach
 November 2-4—Iowa-Nebraska Cannery Association, Annual Convention, Hotel Fort Des Moines, Des Moines
 November 6—Illinois Cannery Association, Fall Meeting, Bismarck Hotel, Chicago
 November 10-11—Wisconsin Cannery Association, 49th Annual Convention, Schroeder Hotel, Milwaukee
 November 20-21—Indiana Cannery Association, Annual Convention, French Lick Springs Hotel, French Lick Springs
 November 24-25—Pennsylvania Cannery Association, 38th Annual Convention, Penn-Harris Hotel, Harrisburg
 December 1-2—Michigan Cannery Association, Fall Meeting, Pantlind Hotel, Grand Rapids
 December 2-3—Ohio Cannery Association, Annual Convention, The Neil House, Columbus
 December 4-5—New York State Cannery and Freezers Association, Inc., 67th Annual Convention, Hotel Statler, Buffalo
 December 4-5—Tri-State Packers Association, 49th Annual Convention, Haddon Hall, Atlantic City, N. J.
 January 22-23—Cannery League of California, Annual Fruit and Vegetable Sample Cutting, Hotel Fairmont, San Francisco
 March 22-24—Cannery League of California, 49th Annual Directors Conference, Santa Barbara Biltmore, Santa Barbara

Invitations for Bids

★ Quartermaster Purchasing Office—111 East 16th Street, New York 3, N. Y.; 1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

The Walsh-Healey Public Contracts Act may apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The QMC has invited sealed bids to furnish the following:

JAMS—2,550 dozen 1-lb. jars each of cherry, Concord grape, peach, and strawberry preserves, f.o.b. destination. Bids due in Chicago under QM-11-009-52-1595 by June 11.

PERSONNEL

Dr. Wellman Appointed

Dr. Harry R. Wellman, well known in California for his research work in price analysis, has been named vice president for agricultural sciences of the University of California, with headquarters in Berkeley.

Dr. Wellman is professor of agricultural economics, chairman of the division of agricultural economics, and director of the Giannini Foundation of Agricultural Economics. His appointment as vice president of the University will become effective July 1.

STANDARDS

Grades for Canned Corn

The Production and Marketing Administration, USDA, is considering revision of U. S. standards for grades of both canned cream style and canned whole kernel corn. The proposed revision would supersede standards in effect since December 1, 1932, and incorporate certain provisions of the Federal Food and Drug standards of identity, quality, and fill of container for canned corn which became effective January 1, 1952.

The grades of canned cream style corn and of canned whole kernel corn would continue to be designated as "U. S. Grade A" (or U. S. Fancy), "U. S. Grade B" (or U. S. Extra Standard), and "U. S. Grade C" (or U. S. Standard). Quality requirements for each grade would remain essentially the same in the proposed revisions as they are in the current standards. However, new definitions have been added and the descriptions of the quality requirements clarified to provide uniform application of the standards.

Interested persons may, until June 23, submit views and comments to the Fruit and Vegetable Branch, Production and Marketing Administration, USDA, Washington 25, D. C.

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